

AN ACT

To amend sections 5747.02 and 5747.056 of the Revised Code and to amend Sections 265.10, 273.10, and 335.10 of Am. Sub. H.B. 1 of the 128th General Assembly to postpone for two years the last of five scheduled income tax rate reductions, to create the Construction Reform Demonstration Project, to provide for the granting of a delay in implementing all-day kindergarten, and to make an appropriation.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 5747.02 and 5747.056 of the Revised Code be amended to read as follows:

Sec. 5747.02. (A) For the purpose of providing revenue for the support of schools and local government functions, to provide relief to property taxpayers, to provide revenue for the general revenue fund, and to meet the expenses of administering the tax levied by this chapter, there is hereby levied on every individual, trust, and estate residing in or earning or receiving income in this state, on every individual, trust, and estate earning or receiving lottery winnings, prizes, or awards pursuant to Chapter 3770. of the Revised Code, and on every individual, trust, and estate otherwise having nexus with or in this state under the Constitution of the United States, an annual tax measured in the case of individuals by Ohio adjusted gross income less an exemption for the taxpayer, the taxpayer's spouse, and each dependent as provided in section 5747.025 of the Revised Code; measured in the case of trusts by modified Ohio taxable income under division (D) of this section; and measured in the case of estates by Ohio taxable income. The tax imposed by this section on the balance thus obtained is hereby levied as follows:

(1) For taxable years beginning in 2004:

OHIO ADJUSTED GROSS
INCOME LESS EXEMPTIONS
(INDIVIDUALS)

OR
MODIFIED OHIO
TAXABLE INCOME (TRUSTS)

OHIO TAXABLE INCOME (ESTATES)	TAX
\$5,000 or less	.743%
More than \$5,000 but not more than \$10,000	\$37.15 plus 1.486% of the amount in excess of \$5,000
More than \$10,000 but not more than \$15,000	\$111.45 plus 2.972% of the amount in excess of \$10,000
More than \$15,000 but not more than \$20,000	\$260.05 plus 3.715% of the amount in excess of \$15,000
More than \$20,000 but not more than \$40,000	\$445.80 plus 4.457% of the amount in excess of \$20,000
More than \$40,000 but not more than \$80,000	\$1,337.20 plus 5.201% of the amount in excess of \$40,000
More than \$80,000 but not more than \$100,000	\$3,417.60 plus 5.943% of the amount in excess of \$80,000
More than \$100,000 but not more than \$200,000	\$4,606.20 plus 6.9% of the amount in excess of \$100,000
More than \$200,000	\$11,506.20 plus 7.5% of the amount in excess of \$200,000

(2) For taxable years beginning in 2005:

OHIO ADJUSTED GROSS
INCOME LESS EXEMPTIONS
(INDIVIDUALS)

OR
MODIFIED OHIO
TAXABLE INCOME (TRUSTS)

OHIO TAXABLE INCOME (ESTATES)	TAX
\$5,000 or less	.712%
More than \$5,000 but not more than \$10,000	\$35.60 plus 1.424% of the amount in excess of \$5,000
More than \$10,000 but not more than \$15,000	\$106.80 plus 2.847% of the amount in excess of \$10,000
More than \$15,000 but not more than \$20,000	\$249.15 plus 3.559% of the amount in excess of \$15,000

More than \$20,000 but not more than \$40,000	\$427.10 plus 4.27% of the amount in excess of \$20,000
More than \$40,000 but not more than \$80,000	\$1,281.10 plus 4.983% of the amount in excess of \$40,000
More than \$80,000 but not more than \$100,000	\$3,274.30 plus 5.693% of the amount in excess of \$80,000
More than \$100,000 but not more than \$200,000	\$4,412.90 plus 6.61% of the amount in excess of \$100,000
More than \$200,000	\$11,022.90 plus 7.185% of the amount in excess of \$200,000

(3) For taxable years beginning in 2006:

OHIO ADJUSTED GROSS
INCOME LESS EXEMPTIONS
(INDIVIDUALS)

OR

MODIFIED OHIO
TAXABLE INCOME (TRUSTS)

OR

OHIO TAXABLE INCOME
(ESTATES)

TAX

\$5,000 or less	.681%
More than \$5,000 but not more than \$10,000	\$34.05 plus 1.361% of the amount in excess of \$5,000
More than \$10,000 but not more than \$15,000	\$102.10 plus 2.722% of the amount in excess of \$10,000
More than \$15,000 but not more than \$20,000	\$238.20 plus 3.403% of the amount in excess of \$15,000
More than \$20,000 but not more than \$40,000	\$408.35 plus 4.083% of the amount in excess of \$20,000
More than \$40,000 but not more than \$80,000	\$1,224.95 plus 4.764% of the amount in excess of \$40,000
More than \$80,000 but not more than \$100,000	\$3,130.55 plus 5.444% of the amount in excess of \$80,000
More than \$100,000 but not more than \$200,000	\$4,219.35 plus 6.32% of the amount in excess of \$100,000
More than \$200,000	\$10,539.35 plus 6.87% of the amount in excess of \$200,000

(4) For taxable years beginning in 2007:

OHIO ADJUSTED GROSS
INCOME LESS EXEMPTIONS

(INDIVIDUALS)
OR
MODIFIED OHIO
TAXABLE INCOME (TRUSTS)
OR
OHIO TAXABLE INCOME
(ESTATES)

	TAX
\$5,000 or less	.649%
More than \$5,000 but not more than \$10,000	\$32.45 plus 1.299% of the amount in excess of \$5,000
More than \$10,000 but not more than \$15,000	\$97.40 plus 2.598% of the amount in excess of \$10,000
More than \$15,000 but not more than \$20,000	\$227.30 plus 3.247% of the amount in excess of \$15,000
More than \$20,000 but not more than \$40,000	\$389.65 plus 3.895% of the amount in excess of \$20,000
More than \$40,000 but not more than \$80,000	\$1,168.65 plus 4.546% of the amount in excess of \$40,000
More than \$80,000 but not more than \$100,000	\$2,987.05 plus 5.194% of the amount in excess of \$80,000
More than \$100,000 but not more than \$200,000	\$4,025.85 plus 6.031% of the amount in excess of \$100,000
More than \$200,000	\$10,056.85 plus 6.555% of the amount in excess of \$200,000

(5) For taxable years beginning in 2008, 2009, or 2010:

OHIO ADJUSTED GROSS
INCOME LESS EXEMPTIONS
(INDIVIDUALS)
OR
MODIFIED OHIO
TAXABLE INCOME (TRUSTS)
OR
OHIO TAXABLE INCOME
(ESTATES)

	TAX
\$5,000 or less	.618%
More than \$5,000 but not more than \$10,000	\$30.90 plus 1.236% of the amount in excess of \$5,000
More than \$10,000 but not more than \$15,000	\$92.70 plus 2.473% of the amount in excess of \$10,000
More than \$15,000 but not more	\$216.35 plus 3.091% of the

than \$20,000	amount in excess of \$15,000
More than \$20,000 but not more than \$40,000	\$370.90 plus 3.708% of the amount in excess of \$20,000
More than \$40,000 but not more than \$80,000	\$1,112.50 plus 4.327% of the amount in excess of \$40,000
More than \$80,000 but not more than \$100,000	\$2,843.30 plus 4.945% of the amount in excess of \$80,000
More than \$100,000 but not more than \$200,000	\$3,832.30 plus 5.741% of the amount in excess of \$100,000
More than \$200,000	\$9,573.30 plus 6.24% of the amount in excess of \$200,000

(6) For taxable years beginning in ~~2009~~ 2011 or thereafter:

OHIO ADJUSTED GROSS
INCOME LESS EXEMPTIONS
(INDIVIDUALS)
OR
MODIFIED OHIO
TAXABLE INCOME (TRUSTS)
OR
OHIO TAXABLE INCOME
(ESTATES)

TAX

\$5,000 or less	.587%
More than \$5,000 but not more than \$10,000	\$29.35 plus 1.174% of the amount in excess of \$5,000
More than \$10,000 but not more than \$15,000	\$88.05 plus 2.348% of the amount in excess of \$10,000
More than \$15,000 but not more than \$20,000	\$205.45 plus 2.935% of the amount in excess of \$15,000
More than \$20,000 but not more than \$40,000	\$352.20 plus 3.521% of the amount in excess of \$20,000
More than \$40,000 but not more than \$80,000	\$1,056.40 plus 4.109% of the amount in excess of \$40,000
More than \$80,000 but not more than \$100,000	\$2,700.00 plus 4.695% of the amount in excess of \$80,000
More than \$100,000 but not more than \$200,000	\$3,639.00 plus 5.451% of the amount in excess of \$100,000
More than \$200,000	\$9,090.00 plus 5.925% of the amount in excess of \$200,000

In July of each year, beginning in 2010, the tax commissioner shall adjust the income amounts prescribed in this division by multiplying the

percentage increase in the gross domestic product deflator computed that year under section 5747.025 of the Revised Code by each of the income amounts resulting from the adjustment under this division in the preceding year, adding the resulting product to the corresponding income amount resulting from the adjustment in the preceding year, and rounding the resulting sum to the nearest multiple of fifty dollars. The tax commissioner also shall recompute each of the tax dollar amounts to the extent necessary to reflect the adjustment of the income amounts. The rates of taxation shall not be adjusted.

The adjusted amounts apply to taxable years beginning in the calendar year in which the adjustments are made. The tax commissioner shall not make such adjustments in any year in which the amount resulting from the adjustment would be less than the amount resulting from the adjustment in the preceding year.

(B) If the director of budget and management makes a certification to the tax commissioner under division (B) of section 131.44 of the Revised Code, the amount of tax as determined under division (A) of this section shall be reduced by the percentage prescribed in that certification for taxable years beginning in the calendar year in which that certification is made.

(C) The levy of this tax on income does not prevent a municipal corporation, a joint economic development zone created under section 715.691, or a joint economic development district created under section 715.70 or 715.71 or sections 715.72 to 715.81 of the Revised Code from levying a tax on income.

(D) This division applies only to taxable years of a trust beginning in 2002 or thereafter.

(1) The tax imposed by this section on a trust shall be computed by multiplying the Ohio modified taxable income of the trust by the rates prescribed by division (A) of this section.

(2) A nonresident trust may claim a credit against the tax computed under division (D) of this section equal to the lesser of (1) the tax paid to another state or the District of Columbia on the nonresident trust's modified nonbusiness income, other than the portion of the nonresident trust's nonbusiness income that is qualifying investment income as defined in section 5747.012 of the Revised Code, or (2) the effective tax rate, based on modified Ohio taxable income, multiplied by the nonresident trust's modified nonbusiness income other than the portion of the nonresident trust's nonbusiness income that is qualifying investment income. The credit applies before any other applicable credits.

(3) The credits enumerated in divisions (A)(1) to (13) of section

5747.98 of the Revised Code do not apply to a trust subject to division (D) of this section. Any credits enumerated in other divisions of section 5747.98 of the Revised Code apply to a trust subject to division (D) of this section. To the extent that the trust distributes income for the taxable year for which a credit is available to the trust, the credit shall be shared by the trust and its beneficiaries. The tax commissioner and the trust shall be guided by applicable regulations of the United States treasury regarding the sharing of credits.

(E) For the purposes of this section, "trust" means any trust described in Subchapter J of Chapter 1 of the Internal Revenue Code, excluding trusts that are not irrevocable as defined in division (I)(3)(b) of section 5747.01 of the Revised Code and that have no modified Ohio taxable income for the taxable year, charitable remainder trusts, qualified funeral trusts and preneed funeral contract trusts established pursuant to sections 4717.31 to 4717.38 of the Revised Code that are not qualified funeral trusts, endowment and perpetual care trusts, qualified settlement trusts and funds, designated settlement trusts and funds, and trusts exempted from taxation under section 501(a) of the Internal Revenue Code.

Sec. 5747.056. For taxable years beginning in 2005 or thereafter, a credit shall be allowed per return against the tax imposed by section 5747.02 of the Revised Code for a return not filed by an estate or trust that indicates Ohio adjusted gross income less exemptions of ten thousand dollars or less. For taxable years beginning in 2005, the credit shall equal one hundred seven dollars. For taxable years beginning in 2006, the credit shall equal one hundred two dollars. For taxable years beginning in 2007, the credit shall equal ninety-eight dollars. For taxable years beginning in 2008, 2009, or 2010, the credit shall equal ninety-three dollars. For taxable years beginning in ~~2009~~ 2011 or thereafter, the credit shall equal eighty-eight dollars. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

SECTION 2. That existing sections 5747.02 and 5747.056 of the Revised Code are hereby repealed.

SECTION 3. That Sections 265.10, 273.10, and 335.10 of Am. Sub. H.B. 1 of the 128th General Assembly be amended to read as follows:

Sec. 265.10. EDU DEPARTMENT OF EDUCATION

General Revenue Fund

GRF 200100	Personal Services	\$	10,490,789	\$	10,723,972
GRF 200320	Maintenance and Equipment	\$	3,110,071	\$	3,144,897

GRF 200408	Early Childhood Education	\$	23,268,341	\$	23,268,341	
GRF 200416	Career-Technical Education Match	\$	2,233,195	\$	2,233,195	
GRF 200420	Computer/Application/Network Development	\$	4,880,871	\$	4,880,871	
GRF 200421	Alternative Education Programs	\$	7,814,479	\$	7,918,749	
GRF 200422	School Management Assistance	\$	1,950,521	\$	3,230,469	
GRF 200424	Policy Analysis	\$	356,311	\$	361,065	
GRF 200425	Tech Prep Consortia Support	\$	1,243,943	\$	1,260,542	
GRF 200426	Ohio Educational Computer Network	\$	20,156,602	\$	20,425,556	
GRF 200427	Academic Standards	\$	5,300,074	\$	5,300,074	
GRF 200431	School Improvement Initiatives	\$	7,294,175	\$	7,391,503	
GRF 200437	Student Assessment	\$	55,954,648	\$	56,703,265	
GRF 200439	Accountability/Report Cards	\$	3,804,673	\$	3,804,673	
GRF 200442	Child Care Licensing	\$	865,590	\$	877,140	
GRF 200446	Education Management Information System	\$	13,199,152	\$	11,934,284	
GRF 200447	GED Testing	\$	975,536	\$	988,553	
GRF 200448	Educator Preparation	\$	1,310,750	\$	1,328,240	
GRF 200455	Community Schools	\$	1,000,000	\$	1,000,000	
GRF 200457	STEM Initiatives	\$	5,000,000	\$	5,000,000	
GRF 200458	School Employees Health Care Board	\$	800,000	\$	800,000	
GRF 200502	Pupil Transportation	\$	448,022,619	\$	462,822,619	
GRF 200505	School Lunch Match	\$	9,100,000	\$	9,100,000	
GRF 200511	Auxiliary Services	\$	111,979,388	\$	111,979,388	
GRF 200532	Nonpublic Administrative Cost Reimbursement	\$	50,838,939	\$	50,838,939	
GRF 200540	Special Education Enhancements	\$	134,150,233	\$	135,820,668	
GRF 200545	Career-Technical Education Enhancements	\$	7,752,662	\$	7,802,699	
GRF 200550	Foundation Funding	\$	5,130,669,418	\$	4,746,289,372	
			<u>5,415,906,323</u>		<u>5,312,560,800</u>	
GRF 200551	Foundation Funding – Federal Stimulus	\$	387,583,913	\$	457,449,362	
GRF 200578	Violence Prevention and School Safety	\$	200,000	\$	200,000	
GRF 200901	Property Tax Allocation - Education	\$	1,053,262,363	\$	1,020,655,157	
TOTAL GRF	General Revenue Fund	\$	7,504,569,256	\$	7,175,533,593	
			<u>7,789,806,161</u>		<u>7,741,805,021</u>	
General Services Fund Group						
1380	200606	Computer	\$	7,600,091	\$	7,600,091
		Services-Operational Support				
4520	200638	Miscellaneous Educational Services	\$	275,000	\$	275,000
4L20	200681	Teacher Certification and Licensure	\$	8,013,206	\$	8,147,756
5960	200656	Ohio Career Information	\$	529,761	\$	529,761

		System				
5H30	200687	School District Solvency Assistance	\$	18,000,000	\$	18,000,000
TOTAL GSF General Services						
Fund Group			\$	34,418,058	\$	34,552,608
Federal Special Revenue Fund Group						
3090	200601	Educationally Disadvantaged Programs	\$	8,405,512	\$	8,405,512
3670	200607	School Food Services	\$	6,324,707	\$	6,577,695
3680	200614	Veterans' Training	\$	778,349	\$	793,846
3690	200616	Career-Technical Education Federal Enhancement	\$	5,000,000	\$	5,000,000
3700	200624	Education of Exceptional Children	\$	2,664,000	\$	2,755,000
3740	200647	Troops to Teachers	\$	100,000	\$	100,000
3780	200660	Learn and Serve	\$	619,211	\$	619,211
3AF0	200603	Schools Medicaid Administrative Claims	\$	639,000	\$	639,000
3AN0	200671	School Improvement Grants	\$	17,909,676	\$	17,936,675
3AX0	200698	Improving Health and Educational Outcomes of Young People	\$	630,954	\$	630,954
3BK0	200628	Longitudinal Data Systems	\$	100,000	\$	0
3BV0	200636	Character Education	\$	700,000	\$	0
3C50	200661	Early Childhood Education	\$	14,189,711	\$	14,554,749
3CF0	200644	Foreign Language Assistance	\$	25,000	\$	0
3CG0	200646	Teacher Incentive Fund	\$	3,007,975	\$	1,157,834
3D10	200664	Drug Free Schools	\$	13,347,966	\$	13,347,966
3D20	200667	Honors Scholarship Program	\$	6,990,000	\$	6,985,000
3DJ0	200699	IDEA Part B - Federal Stimulus	\$	218,868,026	\$	218,868,026
3DK0	200642	Title 1A - Federal Stimulus	\$	186,336,737	\$	186,336,737
3DL0	200650	IDEA Preschool - Federal Stimulus	\$	6,679,679	\$	6,679,679
3DM0	200651	Title IID Technology - Federal Stimulus	\$	11,951,000	\$	11,951,000
3DP0	200652	Title I School Improvement - Federal Stimulus	\$	54,221,000	\$	54,221,000
3H90	200605	Head Start Collaboration Project	\$	225,000	\$	225,000
3L60	200617	Federal School Lunch	\$	295,421,000	\$	310,150,675
3L70	200618	Federal School Breakfast	\$	80,850,000	\$	84,892,500
3L80	200619	Child/Adult Food Programs	\$	89,250,000	\$	93,712,500
3L90	200621	Career-Technical Education Basic Grant	\$	48,029,701	\$	48,029,701
3M00	200623	ESEA Title 1A	\$	530,000,000	\$	530,010,000
3M10	200678	Innovative Education	\$	1,000,000	\$	0
3M20	200680	Individuals with Disabilities Education Act	\$	413,391,594	\$	421,241,163
3S20	200641	Education Technology	\$	9,487,397	\$	9,487,397
3T40	200613	Public Charter Schools	\$	14,275,618	\$	14,291,353
3Y20	200688	21st Century Community Learning Centers	\$	36,000,000	\$	36,000,000
3Y40	200632	Reading First	\$	27,366,373	\$	24,455,172

3Y60	200635	Improving Teacher Quality	\$	101,778,397	\$	101,778,400
3Y70	200689	English Language Acquisition	\$	8,142,299	\$	8,142,299
3Y80	200639	Rural and Low Income Technical Assistance	\$	1,500,000	\$	1,500,000
3Z20	200690	State Assessments	\$	12,923,799	\$	12,923,799
3Z30	200645	Consolidated Federal Grant Administration	\$	8,499,279	\$	8,499,280
3Z70	200697	General Supervisory Enhancement Grant	\$	887,319	\$	0
TOTAL FED Federal Special Revenue Fund Group			\$	2,238,516,279	\$	2,262,899,123
State Special Revenue Fund Group						
4540	200610	Guidance and Testing	\$	450,000	\$	450,000
4550	200608	Commodity Foods	\$	24,000,000	\$	24,000,000
4R70	200695	Indirect Operational Support	\$	6,050,000	\$	6,250,000
4V70	200633	Interagency Operational Support	\$	1,111,838	\$	1,117,725
5980	200659	Auxiliary Services Reimbursement	\$	1,328,910	\$	1,328,910
5BB0	200696	State Action for Education Leadership	\$	1,250,000	\$	600,000
5BJ0	200626	Half-Mill Maintenance Equalization	\$	16,100,000	\$	16,600,000
5U20	200685	National Education Statistics	\$	300,000	\$	300,000
5W20	200663	Early Learning Initiative	\$	2,200,000	\$	2,200,000
5X90	200911	NGA STEM	\$	100,000	\$	0
6200	200615	Educational Improvement Grants	\$	3,000,000	\$	3,000,000
TOTAL SSR State Special Revenue Fund Group			\$	55,890,748	\$	55,846,635
Lottery Profits Education Fund Group						
7017	200612	Foundation Funding	\$	990,236,905	\$	1,277,271,428
				<u>705,000,000</u>		<u>711,000,000</u>
TOTAL LPE Lottery Profits Education Fund Group			\$	990,236,905	\$	1,277,271,428
				<u>705,000,000</u>		<u>711,000,000</u>
Revenue Distribution Fund Group						
7047	200909	School District Property Tax Replacement-Business	\$	1,150,207,366	\$	1,150,207,366
7053	200900	School District Property Tax Replacement-Utility	\$	91,123,523	\$	91,123,523
TOTAL RDF Revenue Distribution Fund Group			\$	1,241,330,889	\$	1,241,330,889
TOTAL ALL BUDGET FUND GROUPS			\$	12,064,962,135	\$	12,047,434,276
Sec. 273.10. ERB STATE EMPLOYMENT RELATIONS BOARD						
General Revenue Fund						
GRF	125321	Operating Expenses	\$	2,863,613	\$	2,863,613
				<u>3,863,613</u>		<u>3,863,613</u>
TOTAL GRF General Revenue Fund			\$	2,863,613	\$	2,863,613
				<u>3,863,613</u>		<u>3,863,613</u>
General Services Fund Group						

5720	125603	Training and Publications	\$	87,075	\$	87,075
TOTAL GSF General Services						
Fund Group			\$	87,075	\$	87,075
TOTAL ALL BUDGET FUND GROUPS			\$	<u>2,950,688</u>	\$	<u>2,950,688</u>
				<u>3,950,688</u>		<u>3,950,688</u>

Sec. 335.10. DMH DEPARTMENT OF MENTAL HEALTH

General Revenue Fund

GRF	332401	Forensic Services	\$	3,089,969	\$	3,244,251
GRF	333321	Central Administration	\$	17,204,000	\$	17,204,000
GRF	333402	Resident Trainees	\$	504,416	\$	529,602
GRF	333403	Pre-Admission Screening Expenses	\$	514,446	\$	540,132
GRF	333415	Lease-Rental Payments	\$	21,333,500	\$	21,951,800
GRF	333416	Research Program Evaluation	\$	554,763	\$	582,462
GRF	334408	Community and Hospital Mental Health Services	\$	371,742,870	\$	369,982,336
				<u>379,092,870</u>		<u>377,332,336</u>
GRF	334506	Court Costs	\$	618,253	\$	649,122
GRF	335404	Behavioral Health Services-Children	\$	7,460,800	\$	7,460,800
GRF	335405	Family & Children First	\$	1,430,654	\$	1,502,086
GRF	335419	Community Medication Subsidy	\$	9,959,798	\$	9,959,798
GRF	335505	Local Mental Health Systems of Care	\$	11,650,000	\$	20,644,308
TOTAL GRF General Revenue Fund			\$	446,063,469	\$	454,250,697
				<u>453,413,469</u>		<u>461,600,697</u>

General Services Fund Group

1490	333609	Central Office Operating	\$	1,200,000	\$	1,200,000
1490	334609	Hospital - Operating Expenses	\$	36,050,000	\$	36,050,000
1500	334620	Special Education	\$	150,000	\$	150,000
4P90	335604	Community Mental Health Projects	\$	250,000	\$	250,000
1510	336601	Office of Support Services	\$	148,998,000	\$	159,279,140
TOTAL GSF General Services Fund Group			\$	186,648,000	\$	196,929,140

Federal Special Revenue Fund Group

3240	333605	Medicaid/Medicare	\$	154,500	\$	154,500
3A60	333608	Community and Hospital Services	\$	140,000	\$	140,000
3A70	333612	Social Services Block Grant	\$	25,000	\$	25,000
3A80	333613	Federal Grant - Administration	\$	4,888,105	\$	4,888,105
3A90	333614	Mental Health Block Grant - Administration	\$	748,470	\$	748,470
3B10	333635	Community Medicaid Expansion	\$	13,691,682	\$	13,691,682
3240	334605	Medicaid/Medicare	\$	25,200,000	\$	30,200,000
3A60	334608	Federal Miscellaneous	\$	586,224	\$	586,224
3A80	334613	Federal Letter of Credit	\$	200,000	\$	200,000
3B00	334617	Elementary/Secondary Education Act	\$	182,334	\$	182,334
3A60	335608	Federal Miscellaneous	\$	2,178,699	\$	2,178,699
3A70	335612	Social Services Block Grant	\$	8,632,288	\$	8,632,288

3A80	335613	Federal Grant - Community Mental Health Board Subsidy	\$	2,595,040	\$	2,595,040
3A90	335614	Mental Health Block Grant	\$	14,220,930	\$	14,220,930
3B10	335635	Community Medicaid Expansion	\$	382,835,386	\$	361,335,572
TOTAL FED Federal Special Revenue Fund Group			\$	456,278,658	\$	439,778,844
State Special Revenue Fund Group						
2320	333621	Family and Children First Administration	\$	725,000	\$	725,000
4850	333632	Mental Health Operating	\$	134,233	\$	134,233
4X50	333607	Behavioral Health Medicaid Services	\$	3,000,624	\$	3,000,624
5V20	333611	Non-Federal Miscellaneous	\$	560,000	\$	560,000
4850	334632	Mental Health Operating	\$	2,400,000	\$	2,400,000
6920	334636	Community Mental Health Board Risk Fund	\$	80,000	\$	80,000
5AU0	335615	Behavioral Healthcare	\$	6,690,000	\$	6,690,000
5CH0	335622	Residential Support Service	\$	1,500,000	\$	1,500,000
6320	335616	Community Capital Replacement	\$	350,000	\$	350,000
TOTAL SSR State Special Revenue Fund Group			\$	15,439,857	\$	15,439,857
TOTAL ALL BUDGET FUND GROUPS			\$	1,104,429,984	\$	1,106,398,538
				<u>1,111,779,984</u>		<u>1,113,748,538</u>

SECTION 4. That existing Sections 265.10, 273.10, and 335.10 of Am. Sub. H.B. 1 of the 128th General Assembly are hereby repealed.

SECTION 5. For a taxpayer's taxable year ending in 2009, any underpayment of estimated tax due under section 5747.09 of the Revised Code before the effective date of this section shall be considered to be due to reasonable cause, and the interest penalty imposed by that section shall not apply, if the underpayment would have met any of the requirements for reasonable cause enumerated in division (E) of that section if not for the delay in the reduction of the rates in section 5747.02 of the Revised Code by this act.

SECTION 6. Notwithstanding any provision of law to the contrary, if the unobligated balance of the General Revenue Fund at the end of fiscal year 2010 exceeds \$190,000,000, then an amount equal to the unexpended, unencumbered portion of the General Revenue Fund appropriations for the Department of Education at the end of fiscal year 2010 up to \$20,761,069 is hereby reappropriated to appropriation item 200511, Auxiliary Services, and up to \$8,971,578 is hereby reappropriated to appropriation item 200532,

Nonpublic Administrative Cost Reimbursement, for fiscal year 2011. These amounts are in addition to any appropriations in Am. Sub. H.B. 1 of the 128th General Assembly.

SECTION 7. Notwithstanding any provision of law to the contrary, if the unobligated balance of the General Revenue Fund at the end of fiscal year 2011 exceeds \$30,000,000, then on July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management shall transfer cash in an amount equal to the unexpended, unencumbered portion of the General Revenue Fund appropriations for the Department of Education at the end of fiscal year 2011 up to \$29,732,647 from the General Revenue Fund to the Auxiliary Services Stabilization Fund, which is hereby created in the state treasury. The Superintendent of Public Instruction shall request the Controlling Board to authorize expenditures from the Auxiliary Services Stabilization Fund for the purposes of Auxiliary Services and Nonpublic Administrative Cost Reimbursement.

SECTION 8. (A) During fiscal year 2010, the Chancellor of the Ohio Board of Regents, in consultation with representatives of state institutions of higher education and with Controlling Board approval, shall designate one construction project at each of three different state institutions of higher education as a Construction Reform Demonstration Project that may utilize alternative methods of construction delivery in accordance with this section. In selecting projects to be so designated, the Chancellor shall consider the following:

- (1) The geographic distribution of the projects throughout the state;
- (2) The extent to which the projects, when considered together, represent different types of public construction projects, such as new construction, building renovation, and infrastructure replacement; will have different uses; are of different sizes; and will utilize different methods of construction delivery.

(B) To be eligible for designation as a Construction Reform Demonstration Project by the Chancellor, the state institution of higher education proposing the project shall demonstrate all of the following to the Chancellor:

- (1) The project is amenable to the use of, and would make use of, any of the alternative methods of construction delivery described in division (C) of this section.
- (2) The state institution of higher education has a comprehensive,

credible funding plan that does not rely on any subsequent state capital money.

(3) The state institution of higher education has satisfied all internal requirements of the state institution of higher education that are necessary to allow bidding on the project to begin before the end of fiscal year 2010.

(4) The state institution of higher education has a reasonable plan for meeting or exceeding the EDGE Contracting Goal for the project, as determined in accordance with division (D)(1) of this section, through the expected provision of contracts to qualified EDGE business enterprises.

(5) The project will qualify for LEED certification.

(C)(1) Subject to division (C)(2) of this section, each state institution of higher education undertaking a Construction Reform Demonstration Project designated by the Chancellor under division (A) of this section shall, notwithstanding any law to the contrary, utilize one or more of the following alternative methods of construction delivery to develop the project:

(a) Construction manager at risk. For purposes of this section, "construction manager at risk" means a person with substantial discretion and authority to plan, coordinate, manage, direct, and construct all phases of a project for the construction, demolition, alteration, repair, or reconstruction of any public building, structure, or other improvement and who provides the state institution of higher education a guaranteed maximum price utilizing an open book pricing method, wherein the construction manager at risk provides the state institution of higher education all books, records, documents, and other data in its possession related to itself, its subcontractors, and material suppliers pertaining to the bidding, pricing, or performance of a construction management contract. The construction manager at risk shall be selected using a qualifications based selection process, including best value criteria. "Best value criteria" includes technical design, technical approach, quality of proposed personnel, management plan, or other factors that are determined to derive or offer the greatest value to the state institution of higher education.

(b) Design build. For purposes of this section, "design build" means services that form an integrated delivery system for which a person is responsible to a state institution of higher education for both the design and construction, demolition, alteration, repair, or reconstruction of a public improvement. The design-builder shall be selected using a qualifications based selection process, including best value criteria, and using a bridging design delivery in which the state institution of higher education utilizes a criteria or concept architect to develop the program of requirements and the preliminary project scope, and to validate that the state institution of higher

education's design intent is implemented.

(c) General Contracting. For purposes of this section, "general contracting" means contracting that is exempt from the requirement of Chapter 153. of the Revised Code to award multiple prime contracts for a project up to \$600,000 in total project value.

(d) Design Assist. For purposes of this section, "design assist" means the procurement method by which, prior to completion of design, a construction contract may be awarded on a best value basis pursuant to which a contractor provides design assistance to the architect or engineer of record through a design professional separately retained by the contractor. A design assist method also may be used in conjunction with any of the other construction delivery methods set forth in division (C) of this section.

(2) In developing their Construction Demonstration Reform Projects, the state institutions of higher education are not exempt from the applicable provisions of law concerning any of the following:

- (a) Prevailing wage;
- (b) Bonding;
- (c) EDGE;
- (d) Retainage;
- (e) Prompt pay;
- (f) Equal employment opportunity and affirmative action construction compliance;
- (g) Domestic steel;
- (h) Public notice and advertising.

(D)(1) Each state institution of higher education undertaking a Construction Reform Demonstration Project designated by the Chancellor shall use best efforts to seek to maximize EDGE business enterprise contracting on the project, based upon percentage goals determined as follows:

(a) For each project, the Equal Opportunity Division of the Department of Administrative Services shall determine the Demonstration EDGE Percentage by taking into consideration the percentage goal stated in the Technical Assistance Guide for Federal Construction Contracts for the county in which the project will be located and any other factors deemed relevant by the Division.

(b) For each project, the Division shall apply the Demonstration EDGE Percentage to the total project cost to establish the project's EDGE Contracting Goal.

(2) All business enterprises certified as minority business enterprises under the laws of this state as of the effective date of this section shall, for

purposes of contracting on any of the Construction Reform Demonstration Projects, be considered EDGE business enterprises.

(3) The Division shall assist state institutions of higher education in maximizing the utilization of EDGE contractors on Construction Reform Demonstration projects, as follows:

(a) At each of the following EDGE compliance check points, the Division shall certify that the project is in reasonable attainment of the EDGE contracting goal for the project:

(i) Prior to each contract being awarded, based on the submission of a reasonable, credible plan for meeting the goal;

(ii) Once monthly for each contract awarded for work on the project.

(b) In determining whether certification under division (D)(3)(a) of this section is warranted, the Division may undertake onsite inspections and may review any contractor records related to the project that it deems necessary.

(c) No payment to a contractor shall be made in the absence of a certification required by division (D)(3)(a) of this section.

(d) The Division shall establish a stakeholder advisory panel, which shall include two representatives of the Ohio Legislative Black Caucus, two minority contractors, and the Chancellor, to consult with and advise the Division regarding its preparation of regular reports to the Governor, the House of Representatives, and the Senate regarding the satisfaction of EDGE contracting goals on the Construction Reform Demonstration Projects. The panel shall also advise the Division on strategies for maximizing participation of EDGE contractors and ways that the Division could provide problem-solving assistance to the state institutions of higher education undertaking a Construction Reform Demonstration Project and the contractors on the projects to advance the achievement of EDGE contracting goals on those projects.

(4) The state institutions of higher education undertaking a Construction Reform Demonstration Project shall pay to the Department of Administrative Services, for staff and other expenses associated with the Division's responsibilities under division (D) of this section, an aggregate amount equal to \$150,000 per year in each year in which any of the projects remains uncompleted. The portion of the \$150,000 to be paid by any one of the state institutions of higher education with projects underway during that year shall be based on the expenditures of each project in that year compared with the other projects, all as determined by the Division.

(E) The state institutions of higher education that are undertaking a Construction Reform Demonstration Project shall cooperate with and provide the Chancellor with all requested information in order to facilitate

the Chancellor's study of the cost effectiveness and efficiencies associated with the use of the alternative construction delivery methods.

The Chancellor shall prepare semi-annual reports of the Chancellor's findings and a final report. A copy of each report shall be submitted to the Governor, the House of Representatives, and the Senate.

The state institutions of higher education may, at their discretion and in consultation with the Chancellor, transfer funds to the Board of Regents to assist in covering the costs associated with the Chancellor's study and the preparation of the reports.

(F) This section shall expire on the date that all of the Construction Reform Demonstration Projects have been completed or on January 1, 2014, whichever is later.

SECTION 9. A school district may seek a delay, until fiscal year 2012, of the requirement to implement all-day kindergarten for all students in that district. The Superintendent of Public Instruction shall grant the requested delay, which may be a request affecting some or all students in the district, upon the submission of a request for such a delay which provides:

(A) A resolution from the school district board of education requesting the delay, providing its justification for seeking such a delay; and

(B) The submission of a plan for the full implementation of all-day kindergarten in 2012.

SECTION 10. Notwithstanding sections 4141.10 and 4141.11 of the Revised Code, on the effective date of the amendment of Section 273.10 of Am. Sub. H.B. 1 of the 128th General Assembly, or as soon as possible thereafter, and on July 1, 2010, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$1,000,000 cash from the Unemployment Compensation Special Administrative Fund (Fund 4A90) used by the Department of Job and Family Services to the General Revenue Fund.

SECTION 11. The amendment by this act of sections 5747.02 and 5747.056 of the Revised Code provides for or is essential to the implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the amendment is not subject to the referendum and goes into immediate effect when this act becomes law.

SECTION 12. The amendment by this act of Sections 265.10, 273.10, and 335.10 of Am. Sub. H.B. 1 of the 128th General Assembly and Sections 6, 7, 10, 11, and 12 of this act are exempt from the referendum under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code and therefore go into immediate effect when this act becomes law.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Sub. H. B. No. 318

128th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ___ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____